



# Economics of being perfect

eg spending scarce time to acquire Information to make a decision

you are trying to decide whether to buy a medical group, or pass.

the up front cost is \$10M, but hidden issues and costs are not obvious.

How much should we search to find out the missing stuff?

Search	Benefits of search	costs of search (staff day)	cummulative net benefits
1 day	120,000	400	119,600
2	60,000	400	208,800
3	15,000	400	223,400
4	7,500	400	224,500
5	3,750	400	227,550
6	1,875	400	228,925
7	938	400	229,463
8	469	400	229,571 ←
9	235	400	229,406
10	118	400	229,124
11	59	400	228,783
12	30	400	228,413
13	15	400	228,028
14 days	8	400	227,636